

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO. 3791-02  
BILL NO. SCS for HB 1499 and HB 1579  
SUBJECT: Alcohol; Licenses  
TYPE: Original  
DATE: May 8, 2000

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**FISCAL SUMMARY**

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<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$12,500	\$15,000	\$15,000
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$12,500</b>	<b>\$15,000</b>	<b>\$15,000</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$26,562</b>	<b>\$31,875</b>	<b>\$31,875</b>

Numbers within parentheses: ( ) indicate costs or losses

This fiscal note contains 5 pages.

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**FISCAL ANALYSIS**

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ASSUMPTION

**Assumptions in reference to the component of the proposal addressing the three a.m. liquor permit**

Officials from the **Department of Revenue** (in response to a similar proposal - HB 1081) assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of the Attorney General** (in response to a similar proposal - HB 1081) assume costs can be absorbed with existing resources.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** (in response to a similar proposal - HB 1081) assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Public Safety - Division of Liquor Control (DPS)** estimate that fifty establishments would seek a special permit as outlined in Section 311.178. The estimated increase in license fees would be approximately \$15,000 (50 X \$300) per year.

DPS further assumes that Section 311.220 allows cities to charge one and one-half the state liquor license fee amounts and counties to charge an amount equal to the state liquor license fee amount. DPS assumes that seventy-five percent of licensees that will obtain an extended hours license are located within a municipality. Therefore, the cities will collect additional revenue of \$16,875 (\$15,000 x 1.5 x 75%). The counties additional revenue collection will equal the state revenue increase of \$15,000.

**Assumptions in reference to the component of the proposal addressing the malt liquor licensees**

Officials from the **DPS - Division of Liquor Control** assume the proposed legislation authorizes a 5% Original Package License and a 5% By the Drink License with a \$15.00 and \$25.00 annual fee, respectively. It also allows for Sunday sales from 11:00 a.m. to midnight for these license types. These new license types will be used in lieu of \$15.00 3.2% Original Package Licenses and \$25.00 3.2% Nonintoxicating Beer by Drink Licenses. Therefore, license fee revenue will not change from fees currently collected.

Officials from the **Department of Revenue** assume the proposed legislation would have no fiscal impact on their agency.

ASSUMPTION (continued)

**Assumptions in reference to the component of the proposal addressing liquor license fees**

Officials from the **DPS - Division of Liquor Control** assume the proposed legislation would allow licensees which renew licenses timely to submit personal or business checks for renewal of license fees. A \$50 handling fee must be paid to the division for checks returned due to insufficient funds. DPS received 8 insufficient fund checks during the 1999-2000 renewal season. Therefore, it is estimated that \$400 will be received for handling fees for insufficient fund checks (8 x \$50 = \$400). Any costs associated with this proposal can be absorbed with existing resources.

Officials from the **Department of Revenue** assume the proposed legislation would have no fiscal impact on their agency.

**Oversight** assumes the number of bad checks received could decrease from current volume due to the handling fee associated with this proposal. Due to the potential for decreased volume and the insignificant impact on revenues, Oversight has shown the fiscal impact as zero.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
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**GENERAL REVENUE FUND**

Income

License fees	<u>\$12,500</u>	<u>\$15,000</u>	<u>\$15,000</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
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**LOCAL GOVERNMENT**

Income to Cities

License fees	\$14,062	\$16,875	\$16,875
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Income to Counties

License fees	<u>\$12,500</u>	<u>\$15,000</u>	<u>\$15,000</u>
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**ESTIMATED NET EFFECT**

**ON LOCAL FUNDS**

<u>FISCAL IMPACT - Small Business</u>	<u>\$26,562</u>	<u>\$31,875</u>	<u>\$31,875</u>
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The proposed legislation could impact resorts located in Camden, Miller, and Morgan counties.

L.R. NO. 3791-02  
BILL NO. SCS for HB 1499 and HB 1579  
PAGE 4 OF 5  
May 8, 2000

The proposed legislation could impact small businesses licensed to sell malt liquor at retail by the drink.

Licensees will be allowed to submit business or personal checks to renew liquor licenses. They will no longer have to obtain a bank draft, money order, certified check, or cashier's check, thereby reducing costs to licensees.

#### DESCRIPTION

The proposed legislation permits qualified licensed resorts in Camden, Miller, and Morgan counties to remain open each day of the week until 3:00 a.m. of the morning of the following day. The time of opening on Sunday may be 11:00 a.m. The resort's previous year annual gross sales must be \$100,000 or more. A resort is defined as any establishment having at least 20 rooms for transient guests, having at least 3,000 square feet of meeting space, and having a restaurant on the premises. Each resort shall submit a plan approved by the supervisor of liquor control which outlines how the applicant will ensure that sales of intoxicating liquor by the drink between the hours of 1:00 a.m. and 3:00 a.m. shall only be made to guests having overnight accommodations at the applicant's resort.

The proposed legislation allows persons licensed to sell malt liquor at retail by the drink to also sell nonintoxicating beer (3.2%) by the drink. This allows licensees the option of selling 3.2% or 5% beer 7 days a week. The fee for the license is \$25.

The proposed legislation clarifies language regarding the remittance of license fees. Procedures are established regarding checks returned due to insufficient funds. A \$50 handling fee must be paid to the Division of Liquor Control for such checks.

This legislation is not federally mandated, would not duplicate any other program, and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Department of Public Safety  
Division of Liquor Control  
Missouri Highway Patrol

#### SOURCES OF INFORMATION (continued)

Office of the Attorney General  
Department of Revenue

AK:LR:OD:005 (9-94)

L.R. NO. 3791-02  
BILL NO. SCS for HB 1499 and HB 1579  
PAGE 5 OF 5  
May 8, 2000

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large, looped initial "J" and a cursive "Jarrett".

Jeanne Jarrett, CPA  
Director  
May 8, 2000